

# City of Philadelphia



Council of the City of Philadelphia  
Office of the Chief Clerk  
Room 402, City Hall  
Philadelphia

(Resolution No. 030829)

## RESOLUTION

Urging the Pennsylvania General Assembly to provide fair and full funding of the HealthChoices program.

WHEREAS, In 1997 the Commonwealth of Pennsylvania began HealthChoices, its mandatory managed care program for Medical Assistance recipients, over 370,000 Philadelphians – men, women and children – are enrolled in HealthChoices; and

WHEREAS, There are seven Managed Care Organizations who participate in the Health Choices program and provide services to 900,000 Medical Assistance recipients in 25 counties in southeast, southwest and central Pennsylvania; and

WHEREAS, HealthChoices has a track record of success throughout the state, by providing each member with a primary care physician and guaranteed access to the services they need, and HealthChoices has saved the Commonwealth hundreds of millions of dollars by consistently out performing cost increases in the Medical Assistance fee for service program by between 2 to 4% each year; and

WHEREAS, In spite of the fact that the Commonwealth's actuarial consultants have estimated that medical costs for the HealthChoices Managed Care Organizations will increase as much as 10% in 2004, the Commonwealth has proposed to increase rates by only 1% for calendar year 2004, and so the future of HealthChoices is now being threatened by the Commonwealth's attempt to under-fund the program; and

WHEREAS, Accepting the Commonwealth's proposed 2004 rates would result in the Managed Care Organizations being forced to drastically reduce payments to providers, or lose millions of dollars; and

# City of Philadelphia

*RESOLUTION NO. 030829 continued*

WHEREAS, Underfunding HealthChoices could force the Managed Care Organizations to terminate contracts with the Department of Public Welfare, and as a result, the Department would have to return to the old Medical Assistance fee for service program whose significant shortcomings – lack of access, no oversight or control on the quantity or quality of services and spiraling costs – resulted in the need for HealthChoices in the first place; and

WHEREAS, \$65 million in state funds is needed in the current budget to fund the statewide HealthChoices program through June 30<sup>th</sup> 2004, which would provide an adequate rate to the entire program, including physical and behavioral health services, so Council urges the Pennsylvania General Assembly to commit these funds in the Medical Assistance Capitation Appropriation in the current budget negotiations; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council urge the Pennsylvania General Assembly to provide fair and full funding of the HealthChoices program.

# City of Philadelphia

*RESOLUTION NO. 030829 continued*

# City of Philadelphia

*RESOLUTION NO. 030829 continued*

CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the fourth of December, 2003.

Anna C. Verna  
PRESIDENT OF THE COUNCIL

Patricia Rafferty  
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Kenney

Sponsored by: Councilmember Kenney